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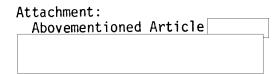
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DIRECTOR OF CE	NTRAL INTELLIGENCE
	Executive Registry 86- 3536/1
	5 August 1986
	LOCKED LOCKED
MEMORANDUM FOR:	NIO/FDIA
FROM:	DCI
SUBJECT:	NEWSDAY Magazine Article
I think thi puts much of wha	is is a good piece which at concerns us in perspective
	C .
	William J. Casey

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MAY AUG 1981

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— Continued from Page 1
since World War II," asid the U.S.
attorney whose office prosecuted
Whitworth. Time magazine seconded this: It was 'the most damaging
spy operation in the U.S. in mearly
a The disclosure by a former Central intelligence Agency employee
of the names of Soviet citizens spying for the United States — at least
one of whom appears to have been
executed — was 'the worst intelligence loss in years,' according to
one informed officials
one informed officials
in selling secrets of the codebreaking National Security Agency to the
USSR, one former senior intelligence officer asid.

• Pelton's revelations were "the
worst compromise of U.S. intelligence officer asid.

• Pelton's revelations were "the
worst was known should be a conded to the worst was known should be a
convernment officials called the
Walker-Whitworth episode — in a
climax of the litany of hyperbole —
'The most damaging case of espionage in U.S. history.

Discounting the contradictions
among the statements and even the
exaggeration of a prosecutor seeking a conviction, how serious were
the pp) losses be quantified, but
they are nowhere near as damaging
as the shrill tone of many of the official and press statements suggests.

The losses were discommoding, and
expensive, but they hardly affected
American power, American policies,
or American ability to operate effectively in the world.

Take the allegate of the former radiotion. Walker said he cold to the Soviets — in 30 installments between
1968 and 1965 — material concerning the KL-47, KW-7, KWR-37, KY-8,
and KG-14 cryptographic eytemps.

Whitworth, some Walker photographed with a tiny Minox camers, he said. How much damage could be done by such revelations to the Sovieta? Code systems have built-in safeguards which limit it.

Since the Renaissance, many cryptographic systems have consisted of two parts: the "method" and the "keys." The method is permanent and, in today's systems, is often embodied in the electrical circuits of a cipher machine. The keys, which set or program the machine, change frequently, different keys, are given to different users. Both method have secsiver must be accorded to the state of the secsiver must be accorded to the secsiver must be accorded to the secsiver must be accorded to the secsiver must far an enemy does not have the keys used to encode a particular cryptogram, even if he knows the method. It took until the 1920s to create ciphering mechanisms that achieved this result.

Walker said under oath at Whitworths trial that he gave the Soviets technical manuals for several of the cryptograms. A retired NSA official testified that this would enable the Soviets to reconstruct the method of these systems.



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fortal I have felt that the Walker case is not as serious as people have case in the case of the serious case is not as serious as the serious case, only temperature, and the serious case, only temperature, and temperature case, only temperature, as contact the loss was, in imany cases, only temperature, as contact the low that have a season, the serious case, only temperature and reduced agency intelligence have been overabled well by the comparison of the serious case, only temperature, as contact the low that the season, the serious case, only temperature, as contact the low that the season, the season, the season, the season case, and the season case, and the season case, and temperature case, only temperature, as contact the low that the season, the season, the season case, and the season case, and the reduced agency intelligence and the season case, and the season case, and the reduced agency intelligence and the season case, and temperature case, only temperature, as contact the low that part of the season, the season is the season, the season in the season in the season of the season case, and temperature and the season case, and temperature and the season, the season in the season, the season in the season in the season in the season, the season in the season in the season, the season in the season, the season in the season in the season, the season in the season, the season in the season in the season in the season in th

The exaggerations also seem rooted in part in a typical American ignorance of history.

ations, those of Pelton and formst CLA employee Edward L. Howard deprived the United States of incoming intuilings 124,000-2-year analyst for the NSA who was found routing the Section of the NSA who was found routing the Section of the NSA who was found routing the Section of the NSA who was found routing the Section of the NSA who was found routing the Section of the NSA official testified at Pelton's trial that Pelton's information had caused the Soviets to stop using some channels, depriving the United States of valuable data.

The United States was said to have less still more intailigence when Howard told the KBB the names of CLA spy handlers working to the part in the sear mooted part in the part in